Fertilizer production

2437. SHRI C. RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total number of fertilizers producing units both in Government and Non-Government sectors functioning in the country at present, State-wise;

(b) the impact of liberalization policy of the Government on fertilizer industry; and

(c) the efforts being made by the Government to safeguard the fertilizer industry?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) The information regarding the total number of fertilizer producing units both in Government and Non-Government sectors functioning in the country, State-wise is given in enclosed statement (See below).

(b) and (c) Urea is the only fertilizer at present which is under statutory price control and partial movement and distribution control. The phosphatic and potassic fertilizers were decontrolled *w.e.f.* 25.8.1992. Sale price of urea is statutorily fixed by the Government. Similarly, decontrolled Phosphatic and Potassic fertilizers are sold to the farmers at an indicative MRP fixed by the Government. Subsidy/ concession is accordingly paid to the manufacturers/importers to enable them to sell fertilizers to farmers at an affordable price which is fixed by the Government and which is generally lower than the cost of production of these fertilizers. Through the subsidy mechanism, while the farmer is insulated from increase in the price of fertilizers, the manufacturer/importer is paid compensation for the lower price at which he is required to sell these fertilizers to the farmers.

Until 31.3.2003, the subsidy to indigenous urea manufacturing units was paid in terms of the erstwhile unit specific Retention Price Scheme (RPS), which has been replaced by the group based New Pricing Scheme (NPS) for urea units *w.e.f.* 1.4.2003. NPS aims at greater transparency, uniformity and efficiency in the disbursement

of subsidy and inducing urea units to take cost reduction measures on their own to be competitive. NPS is being implemented in stages. Stage-I was of one year duration from 1.4.2003 to 31.3.2004 and Stage-ll is of two years duration from 1.4.2004 to 31.3.2006. For reviewing the effectiveness of Stage-I & II of NPS and for formulating a policy for urea for Stage-Ill commencing from 1.4.2006, a Working Group was constituted under the chairmanship of Dr. Y.K. Alagh, which has submitted its report on 26.12.2005.

Statement

State-wise and Sector-wise number of major fertilizer units operating in the country

Sl. No.	Name of States	No. of Units in operation	Sector			
			Public	Co-operative	Private	Total
1	Andhra Pradesh	4			4	4
2	Assam	1	1			1
3	Goa	1			1	1
4	Gujarat	8		3	5	8
5	Haryana	1	1			1
6	Karnataka	1			1	1
7	Kerala	2	2			2
8	Madhya Pradesh	2	2			2
9	Maharashtra	5	4		1	5
10	Orissa	2			2	2
11	Punjab	3	2		1	3
12	Rajasthan	3			3	3
13	Tamil Nadu	4	1		3	4
14	Uttar Pradesh	7		4	3	7
15	West Bengal	1			1	1
	TOTAL:	45	13	7	25	45